

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

The Role of San Diego County Capital Asset Leasing Corporation (SANCAL)

**Policy
Number**

A-104

Page

1 of 2

Purpose

To establish the role of San Diego County Capital Asset Leasing Corporation (SANCAL) and its relationship to the County Board of Supervisors.

Background

In June of 1984, the County established SANCAL, under the provisions of Corporations Code Section 5120, the California Nonprofit Public Benefit Corporation Law, to facilitate the issuance of low-cost financing instruments to fund the procurement of capital facilities and equipment.

SANCAL'S by-laws establish its structure and powers as an independent entity; however, prior to the original adoption of this policy, there was little guidance provided by the Board of Supervisors as to the role and scope of SANCAL in serving the interests of the Board of Supervisors. In August 1985, the Board of Supervisors, with the SANCAL Board in attendance, reviewed the SANCAL function and established the guidelines contained in this policy to define the SANCAL role and relationship to the Board of Supervisors, which the Supervisors believed would best serve them. This policy, as now revised, establishes the role of SANCAL in best serving the interests of the County.

Policy

It is the policy of the Board of Supervisors that:

1. SANCAL is an independent advisory body appointed by the Board of Supervisors and shall report directly to the Board of Supervisors.
2. In addition to SANCAL's role in serving as an entity facilitating lease financing, SANCAL shall perform the following functions:
 - A. To evaluate financing alternatives for those projects and equipment referred to it by the Board of Supervisors and to recommend to the Board of Supervisors the most advantageous method of financing. Factors related to the marketability and the financial impact on the County should also be evaluated by the SANCAL Board. Examples of those factors are: 1) the sizing of financings to yield the appropriate amount of funds, 2) the impact on the county's credit rating and 3) the impact of the financing on the County's overall debt burden.

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

**Policy
Number**

Page

The Role of San Diego County Capital Asset Leasing Corporation (SANCAL)

A-104

2 of 2

B. After financing is secured, to ensure, as may be provided in the financing documents, the fiduciary responsibilities of protecting the interests of bond holders.

3. Policy issues concerning capital facility or equipment: need, location, size, design, cost, etc. are within the purview of the Board of Supervisors and have had thorough review prior to referral to SANCAL for financing.

4. To the extent possible, staff and support costs for SANCAL related to specific financings will be charged to the administrative expense funds of the related financing instrument.

5. Upon request, periodic reports regarding SANCAL's financings, functions, duties or responsibilities shall be provided to the Board of Supervisors or the SANCAL Board . Reports may be written or verbal at the discretion of the SANCAL Board.

6. County staff shall provide appropriate support to SANCAL and SANCAL shall consider staff and consultant input prior to making its recommendations.

Sunset Date

This policy will be reviewed for continuance by 12-31-14.

Board Action

12-03-85 (6)

11-07-95 (34)

06-12-07 (14)

CAO Reference

1.Chief Financial Officer